

BY THE COMPTROLLER GENERAL

# Report To The Congress

## OF THE UNITED STATES

### Supplemental Security Income Quality Assurance System: An Assessment Of Its Problems And Potential For Reducing Erroneous Payments

Improved management of the Supplemental Security Income program would be an insurmountable task without an effective quality assurance system for reviewing all program aspects and a firm commitment by the Social Security Administration to use that system to its fullest potential. GAO's review of this system was done at the request of Senator Birch Bayh. While many positive results have occurred over the past 3 years, as evidenced by a significant reduction in program payment errors, improvements are needed to further strengthen the quality assurance system and enhance Social Security's ability to achieve additional economies in managing this program.

GAO recommends that quality assurance data-gathering techniques and training be improved and that Social Security establish a corrective action system, assess the need for several program evaluation groups, and focus additional resources on studying specific problem areas.



ADP  
P23  
ADP LIBRARY  
FGMSD - POLICY GROUP

092131

~~916900~~

HRD-77-126  
MAY 23, 1978



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-164031(4)

*04000001*

ADP LIBRARY  
FGMSD - POLICY GROUP

To the President of the Senate and the  
Speaker of the House of Representatives

This is our third report in response to Senator Birch Bayh's request to determine causes of and means of reducing overpayments in the Supplemental Security Income program. We reviewed the quality assurance system to determine how well problems were being identified and corrective action plans were being formulated for improving program operation and administration.

This report describes actions that the Department of Health, Education, and Welfare should take to improve the effectiveness of the quality assurance system.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director of the Office of Management and Budget and to the Secretary of Health, Education, and Welfare.

*Thomas P. Staite*  
Comptroller General  
of the United States

*AGC 00027*  
*AGC 00020*

COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

SUPPLEMENTAL SECURITY INCOME  
QUALITY ASSURANCE SYSTEM: AN  
ASSESSMENT OF ITS PROBLEMS AND  
POTENTIAL FOR REDUCING ERRONEOUS  
PAYMENTS

D I G E S T

The quality assurance system, designed to provide a uniform, quality review of Supplemental Security Income cash assistance payments to the needy aged, blind, and disabled, has contributed substantially to reducing erroneous payments. However, GAO has found that several weaknesses prevent this system from being more effective.

ADP LIBRARY  
FGMSD - POLICY GROUP

The Social Security Administration has had many problems in administering the Supplemental Security Income program since it began in January 1974. Social Security estimates that, at the end of 1976, over \$1.4 billion had been overpaid and \$277 million had been underpaid to recipients.

These estimates are based on data gathered by the quality assurance system which attempts to identify problems and formulate corrective action plans and recommendations for improving program operations and administration. The system also provides data for determining the liability of the Federal Government to States for incorrect State supplemental payments which are administered by Social Security.

GAO selected a random sample of 556 quality assurance cases to evaluate the accuracy and reliability of the system's review procedures and field operations and found 3.4 percent more cases with payment errors than quality assurance. Also, quality assurance made incorrect determinations on 32 of the 150 deficiencies it identified.

HRD-77-126

Several weaknesses in the quality assurance system affect the accuracy and reliability of information generated by the system. Specifically:

- Thirty-eight percent of the sample cases were not developed in accordance with quality assurance procedures.
- The form used to document case findings is not structured to assure that all relevant data is obtained and that the case is developed thoroughly.
- Recipient case files, which contain pertinent information on factors affecting eligibility and payment status, were not always reviewed.
- Training for quality assurance personnel was inadequate and not uniform.

Social Security excludes cases from the quality assurance sample which may bias sample findings and does not report certain types of errors. Consequently, error rate statistics are understated. (See ch. 2.)

The system is required to use most of its resources in developing data on State supplements administered by Social Security. This data is used in determining the Federal Government's liability to the States for incorrect Federal payments of State supplements. Obtaining this data every 6 months by States reduces the amount of quality assurance resources that could be used for indepth corrective action analyses.

In addition, the system's data base does not provide enough data to make detailed corrective action recommendations.

Also, Social Security does not have a formal corrective action system to assure that quality assurance data and resources are used effectively. (See ch. 3.)

Social Security has three other program evaluation groups which, in part, measure and evaluate the quality of the Supplemental Security Income program.

Although each group's primary purpose is to identify problem areas and recommend corrective action, these activities appear to be redundant. Moreover, GAO found little coordination among the groups. (See ch. 4.)

### RECOMMENDATIONS

The Secretary of Health, Education, and Welfare should direct the Commissioner of Social Security to improve the uniformity, accuracy, and reliability of the quality assurance system's review process and data by:

- Adopting a revised form designed to obtain and record during the review process all pertinent data on a recipient's eligibility and payment amount.
- Assessing its case review policy and considering reviewing case files on all sample cases and, in conjunction with other Social Security Administration components, resolving the problems of obtaining case files through the Supplemental Security Income claims control system.
- Establishing an adequate and uniform training program.
- Assessing how exclusion policies may bias sample findings and taking appropriate action to remove or minimize any bias.
- Reporting all errors found during the review process. (See ch. 2.)

The Secretary should also direct the Commissioner of Social Security to concentrate more quality assurance resources on correcting and evaluating specific program problems by:

- Studying the feasibility of using some other mechanism, such as the Supplemental Security Income overpayment system for determining the Federal Government's liability to the States for incorrect payments of State supplements.
- Directing more of the quality assurance resources to gather additional data on types and causes of errors and to more fully utilize this data in evaluating and reporting corrective actions that may be needed.
- Establishing a formal corrective action system directed to an orderly evaluation of program problems and methods to reduce the problems. (See ch. 3.)

The Secretary should also direct the Commissioner to assess the need for four Social Security groups to evaluate the Supplemental Security Income program. Some of these activities could be consolidated. (See ch. 4.)

The Department of Health, Education, and Welfare (HEW) agreed with most of GAO's recommendations. (See pp. 17, 31, and 37 and app. I.) The sixth recommendation concerning the use of some other mechanism for determining Federal liability for incorrect payment of State supplements was added by GAO after HEW's comments were received. Social Security officials told GAO that the issue of having fiscal liability provisions in this and other programs is currently being considered by HEW and the States. Therefore, action on the recommendation should be deferred until agreement has been reached on that issue.

# C o n t e n t s

## DIGEST

## CHAPTER

ADP LIBRARY  
FGMSD - POLICY GROUP

## Page

1	INTRODUCTION	1
	Supplemental Security Income program	1
	The SSI quality assurance system	2
	Scope and approach	4
2	IMPROVEMENTS IN THE SSI QUALITY ASSURANCE SYSTEM ARE NEEDED TO INCREASE ITS ACCURACY AND RELIABILITY	5
	Failure to fully identify and classify errors	5
	Inadequately developed cases	8
	Need to improve data-gathering techni- ques	9
	Lack of uniform training programs	12
	Exclusion policies may bias sample findings	14
	Exclusion policy causes reported error rates to be understated	15
	Conclusions	16
	Recommendations to the Secretary of HEW	17
	HEW comments and our evaluation	17
3	THE SSI QUALITY ASSURANCE SYSTEM NEEDS TO PROVIDE MANAGEMENT-EFFECTIVE CORRECTIVE ACTION RECOMMENDATIONS	20
	Overemphasis on gathering data for Federal fiscal liability	20
	Lack of sufficient data for correc- tive action	23
	Lack of an effective corrective action system	27
	Conclusions	30
	Recommendations to the Secretary of HEW	30
	HEW comments	31
4	DUPLICATION BETWEEN SSA PROGRAM EVALUA- TION ACTIVITIES NEEDS TO BE REDUCED	32
	Limitation of other program evalua- tion groups	32

## CHAPTER

Page

Duplication of activities between program evaluation groups	35
Conclusions	36
Recommendation to the Secretary of HEW	36
HEW comments	37

## APPENDIX

I	Letter dated December 19, 1977, from the Inspector General, Department of Health, Education, and Welfare	38
II	Sample case items not fully developed or documented	46
III	List of OQA studies	47
IV	Principal HEW officials responsible for administering activities discussed in this report	49

## ABBREVIATIONS

AFDC	Aid to Families With Dependent Children
BSSI	Bureau of Supplemental Security Income
EMS	Evaluation and Measurement System
FFL	Federal fiscal liability
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
OQA	Office of Quality Assurance
SSA	Social Security Administration
SSI	Supplemental Security Income



CHAPTER 1

INTRODUCTION

ADP LIBRARY  
FGMSD - POLICY GROUP

We are reviewing the Social Security Administration's (SSA's) management of the Supplemental Security Income (SSI) program as a result of Senator Birch Bayh's August 25, 1975, request. Other Members and committees of the Congress have also expressed an interest in our work on the SSI program. This is the third of a series of reports <sup>1/</sup> on causes of SSI overpayments and underpayments, and our evaluation of SSA's actions to reduce payment errors. R

SUPPLEMENTAL SECURITY INCOME PROGRAM

SSI was established by title III of the Social Security Amendments of 1972 (42 U.S.C. (Supp. V, 1975)), effective January 1, 1974, to provide cash assistance to needy aged, blind, and disabled persons. The program replaced State-administered programs of Old Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled, and provides minimum income to persons who meet national eligibility requirements.

SSI benefit amounts are computed quarterly and are paid in three equal monthly installments. As of June 1977 the maximum Federal basic monthly benefit was \$177.80 for one person and \$266.70 for a couple. Larger monthly payments are made in those States that supplement SSI payments. Many States supplements are administered for the States by SSA.

SSI is administered by SSA's central office in Baltimore, Maryland; 10 regional offices; and over 1,300 district and branch offices throughout the Nation. SSI funds are appropriated from general revenues. In calendar year 1977 SSA paid \$4.7 billion to recipients for Federal SSI benefits. SSA also paid about \$1.5 billion in federally administered State supplemental payments during calendar year 1977. In December 1977 over 4.2 million persons received SSI payments.

For the period July 1974 through December 1976, SSA estimates that \$1.4 billion had been overpaid and \$277 million had been underpaid to recipients. SSA estimates that about

---

<sup>1/</sup>The first two reports to the Congress were "Supplemental Security Income Payment Errors Can Be Reduced" (HRD-76-159, Nov. 18, 1976), and "Supplemental Security Income Overpayments to Medicaid Nursing Home Residents Can Be Reduced" (HRD-77-131, Aug. 23, 1977).

24.8 percent of the recipients on the rolls for the 6 months ended December 1974 were incorrectly paid. This percent was later reduced to 19.4 percent for the 6-month period ended December 1976. For the same periods the amount of misspent SSI benefits decreased from about 10.9 to 8.9 percent of the total benefits paid. These estimates, which SSA has periodically reported to the Congress, are based on data from the SSI quality assurance system. This system is the subject of our report.

### THE SSI QUALITY ASSURANCE SYSTEM

SSA established a quality assurance system in 1974 to provide information on how well the SSI program is operating. The system is administered by the Office of Quality Assurance (OQA), and is independent of SSA components which have operating responsibility for the program.

OQA, with a fiscal year 1977 budget of about \$15.4 million, employs 703 persons at the SSA central office and the 25 OQA field offices. In June 1977, OQA became responsible for setting operating policies and monitoring the quality assurance requirements of other SSA-administered programs, and maintaining an SSA-wide quality assurance reporting system. The objectives of the SSI quality assurance system are to

- measure the quality of SSA's administration of the SSI program;
- identify policies, procedures, systems, and operational problems that affect the quality of SSA's program administration;
- formulate corrective action plans and recommendations to improve program administration;
- assess the program's effectiveness and success in fulfilling congressional intent; and
- obtain Federal fiscal liability (FFL) data which is used to determine the Federal Government's liability to the States for incorrect payment of State supplements.

### Quality assurance review process

Each month OQA randomly selects and reviews a statistical sample of about 4,500 SSI recipient cases. The review results are combined over a 6-month period to achieve statistical

reliability. The sample is stratified by State and payment type (with or without a federally administered State supplement) to obtain and project information on the number of recipients that were incorrectly paid, the amount of incorrect payments for FFL purposes, and to measure the overall quality of SSI operations. The sample is designed to provide valid information on the types and frequency of payment and eligibility errors in the SSI program.

The OQA review is to determine if SSI payments during the sample period were accurate, and if not, to determine the underlying causes of the inaccuracies. This review verifies factors affecting SSI payment and entitlement, except for the medical aspects of disability and blindness which OQA does not review or report. In this regard, we reported to the Secretary of the Department of Health, Education, and Welfare (HEW) in April 1978 the need for SSA to establish a mechanism for systematically reviewing the continuing medical disability of SSI recipients (HRD-78-97).

The OQA reviews are performed by quality assurance specialists in the 25 field offices. Quality assurance specialists interview recipients in their homes to determine whether entitlement factors (such as date of birth, marital status, living arrangements, income, and resources) agree with the information in SSI master records. Contacts with collateral sources are made to verify bank accounts, property, income, and other entitlement factors. If a discrepancy between the OQA review findings and the data on which payment was computed exists, the specialist reviews the case file that contains source documents on a recipient's eligibility and payment to determine the cause of the error.

When an incorrect payment is found, the specialist identifies (1) the deficiency 1/ type(s) involved, (2) the cause of the error, (3) where the error occurred in the payment process--the time of initial application, the redetermination, or a change reported by the recipient but no redetermination was made, (4) how the error was identified, and (5) the amount of the incorrect payment.

---

1/A deficiency is an action or omission on the part of SSA or the recipient which results in an incorrect eligibility determination, a payment amount that was more or less than the proper amount, and/or a material change incorrectly recorded or not recorded in the SSI master record.

The review results are coded on a computer system's input form and transmitted to OQA's central office; the results are processed and tabulated to provide statistical reports. Error information on individual cases is also sent to the appropriate district office for correction.

### SCOPE AND APPROACH

We examined how well OQA was assessing the quality of the SSI program and OQA's effectiveness in identifying program problems and recommending corrective action.

To evaluate the adequacy of OQA's review procedures and field operations, we randomly selected 556 cases included in OQA's sample for January, February, and March 1976. For these 556 cases, SSA paid \$64,000 in benefits during these months. We reviewed the documentation in OQA's case files, as well as recipient's earnings data and other information maintained by SSA. In addition, at our request, OQA specialists contacted recipients and collateral sources.

The cases were reviewed at OQA field offices in San Francisco, California; Seattle, Washington; Philadelphia, Pennsylvania; and Columbia, Maryland. The cases involved SSI recipients residing in Nevada; northern California; Washington; Oregon; Alaska; New Jersey; eastern Pennsylvania; Delaware; Washington, D.C.; and Maryland. We discussed the information developed during our case review with OQA staffs in the four field offices and agreement was reached on those cases containing payment errors.

We examined OQA's procedures, policies, reports, and internal operations at the four field offices and SSA's central office in Baltimore. We also interviewed SSA officials responsible for the SSI program and the quality assurance system.

## CHAPTER 2

### IMPROVEMENTS IN THE SSI QUALITY ASSURANCE

#### SYSTEM ARE NEEDED TO INCREASE ITS

#### ACCURACY AND RELIABILITY

The quality assurance system is intended to be a uniform review of SSI payment actions in order to collect accurate data on the application of program policies.

We identified several weaknesses that affected the uniformity, accuracy, and reliability of OQA data. We found that OQA failed to properly identify some errors partially because (1) specialists did not develop sample cases in accordance with OQA procedures, (2) OQA's data-gathering and case development techniques do not assure that all errors are identified, and (3) training and supervisory practices in the OQA field offices are generally not adequate and uniform. Also, OQA excludes cases from its sample which may bias sample findings and does not report certain types of errors. Consequently, error rate statistics are understated. As a result, OQA data does not fully reflect payment errors, and the data's usefulness to SSA management is diluted.

The OQA system can provide a more accurate and uniform assessment of the SSI program by (1) using a data collection format that assures that relevant data on recipient's eligibility and payment status is obtained, (2) reviewing more case files, (3) improving training programs in its field offices, (4) making sure that exclusion policies do not bias sample findings, and (5) reporting all errors found during the review process.

#### FAILURE TO FULLY IDENTIFY AND CLASSIFY ERRORS

The 556 cases reviewed in the 4 OQA field offices contained payment errors and other deficiencies which were not identified by specialists. Also, in 32 of the 150 payment deficiencies they did identify, the specialists either (1) miscalculated the payment amount, (2) misclassified the deficiency type, or (3) incorrectly identified nondeficiency circumstances as being deficiencies. As a result, the magnitude of errors within the SSI program may be understated and the types of deficiencies actually occurring were not identified.

## Payment errors not identified

For the 556 cases sampled, OQA identified 128 cases with payment errors while we found payment errors in 147 cases. Some of the additional errors were identified through more extensive development of the cases than required by OQA procedures. The following table shows that we identified 3.4 percent more cases with payment errors than OQA and that the variance between field offices was between 2.1 percent and 4.9 percent.

	<u>Field offices</u>				
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>Total</u>
Total sample cases	144	142	144	126	556
Cases where OQA identified payment errors	32	26	30	40	128
Cases where we identified payment errors	39	29	36	43	147
Difference between our and OQA's payment errors	7	3	6	3	19
Percent of difference between OQA's and our payment errors to total sample cases	4.9	2.1	4.2	2.4	3.4

The number of cases in error is important to show the magnitude of errors in the program. However, corrective action is based on the type of deficiency identified and each case can have more than one payment deficiency.

For the 128 cases in error OQA identified 150 payment deficiencies amounting to about \$9,000. The specialists were mistaken on 32 of the deficiencies they had identified. In addition, we found 24 deficiencies which specialists should have identified if case development procedures had been followed and 17 deficiencies which specialists failed to discover because OQA procedures did not require that they develop the cases as extensively as we did. The following table shows the differences between OQA's and our findings.

Field offices

<u>OQA identified payment deficiencies (note a)</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>Total</u>
Correct determination	25	26	33	34	118
Incorrect determination					
OQA incorrectly computed the dollar amount	10	1	1	7	b/19
OQA incorrectly determined the type of deficiency	2	-	-	3	5
OQA classified deficiencies were not deficiencies	<u>2</u>	<u>-</u>	<u>2</u>	<u>4</u>	<u>8</u>
Total incorrect determinations	<u>14</u>	<u>1</u>	<u>3</u>	<u>14</u>	<u>32</u>
Total OQA-classified deficiencies	<u>39</u>	<u>27</u>	<u>36</u>	<u>48</u>	<u>150</u>
<u>Payment deficiencies not found by OQA</u>					
Deficiencies OQA should have found	10	5	4	5	c/24
Deficiencies found based on more extensive development than OQA's procedures	<u>5</u>	<u>-</u>	<u>8</u>	<u>4</u>	d/ <u>17</u>
Total deficiencies not found by OQA	<u>15</u>	<u>5</u>	<u>12</u>	<u>9</u>	<u>41</u>

a/Includes underpayments, overpayments, and payments to ineligible.

b/The difference between the dollar amounts computed by us and by OQA averaged \$66 per deficiency.

c/The average dollar amount of these deficiencies was \$62.

d/The average dollar amount of these deficiencies was \$57.

Other nonpayment deficiencies  
not identified

OQA procedure requires that the specialists identify deficiencies which do not affect the recipient's SSI payment in the sample month. These deficiencies are important because they are inaccuracies in a recipient's master record or they identify circumstances which could adversely affect a recipient's well being. Such deficiencies include:

- Situations where the recipient was potentially eligible for other Federal and/or State benefits, such as Veterans Administration pensions or workmen's compensation.
- The appointment of a representative payee 1/ may have been warranted to handle the recipient's SSI payments.
- The current representative payee was found to be misusing recipient funds and a new representative payee appeared needed.
- The receipt of an SSI check was delayed due to a change of address.

We found 33 of these deficiencies which were not identified by OQA. Of these, 19 should have been identified by OQA if the cases were properly developed. The remaining 14 were found because the cases were reviewed more extensively than required by OQA's procedures. Nineteen of the deficiencies involved the recipient's potential entitlement for other benefits. Identifying these potential income sources helps to assure that recipients receive all the funds they are entitled to and could reduce the recipients future SSI payments.

INADEQUATELY DEVELOPED CASES

To assure that an accurate and uniform assessment is made of payment actions, specialists are required to verify and document all pertinent entitlement factors, such as income and resources. However, 214 (38 percent) of the 556 OQA cases were either inadequately developed or documented. The following table shows that the specialists in the four

---

1/A person or agency receiving SSI checks for a recipient who is unable to manage his or her own affairs.



field offices did not adequately develop or document 26 to 55 percent of the cases reviewed.

	<u>Field offices</u>				<u>Total</u>
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	
Total sample cases	144	142	144	126	556
Cases with underdeveloped items	79	59	37	39	214
Percent of underdeveloped cases to total sample cases	55	42	26	31	38

The 214 deficient cases contained 326 items for which either the recipients' entitlement factors, payment calculations, or work history were not fully developed or documented, or the specialists incorrectly coded case information on a system's input form which was transmitted to OQA's computerized data base. Appendix II highlights the 326 deficient items in more detail.

OQA also evaluated the quality of the work performed by its field offices. In a recent national review of 1,564 cases, OQA noted that 46 percent of the cases had technical or documentation deficiencies.

Since many OQA cases were not properly developed or documented no assurance exists that all errors were identified and that the information OQA reports is accurate. For example, in one case in our sample SSA's information on a recipient showed that the recipient received unearned income that was not high enough (over \$60 for the payment quarter) to affect the amount of his SSI payment. Since the specialist did not verify this information the case was not found to be in error. We found that the recipient actually received enough income during the sample month to cause an overpayment.

#### NEED TO IMPROVE DATA-GATHERING TECHNIQUES

OQA specialists failed to fully develop and document cases and to detect deficiencies, in part because they used a data collection form which did not provide assurance that all pertinent questions were asked and recorded and they did not review the recipient's case files.

## Data collection form

OQA provides extensive procedures for developing and verifying payment and eligibility information to the specialists to guide them in interviewing recipients, contacting collateral sources, and documenting case findings. The procedures specify what questions and development techniques are to be used during the interviews. However, the data collection form used to document responses was not structured to the degree necessary to assure that all questions were asked and that the cases were thoroughly developed.

For example, specialists are required to document the types and amounts of recipients' liquid resources. Liquid resources are cash and other assets that are easily converted to cash; this includes checking and savings accounts, certificates of deposit, stocks, bonds, mutual funds, promissory notes, and savings bonds. The portion of the form used to document liquid resources does not list all types of liquid resources and is not structured to record that the specialist asked the recipient about each type of liquid resource. Consequently, there is no assurance that specialists fully develop each case.

To assure that each case is fully developed, the data-gathering form used to document the OQA interview should minimize the possibility of specialists overlooking or failing to document pertinent information. A more structured format would also make it easier for OQA to gather more specific information on eligibility, payment-affecting factors, and other recipient characteristics. This additional information would provide more data for corrective actions.

OQA recognized the need for a more structured data collection form, and in November 1976 submitted a new form to its field offices for comment and field testing. While we have not evaluated how effective the new form will be in assuring uniform case development and documentation, we believe it will be superior to the OQA form used during the period reviewed, and should result in fewer underdeveloped cases and more accurate error determinations.

## Case file reviews

OQA specialists are required to review the recipient's SSI case file for every sample case found to have a payment error, except those cases in which the error is due solely to an increase in social security retirement and survivor's benefits. The case files are maintained in either SSA district offices, the central office, program service centers,

or Federal record centers. The purposes of this review are to permit the specialist to accurately determine what caused the error and to uncover other errors. Case file reviews are important because effective corrective action cannot be taken until it is known why the error occurred and what type of agency action or process needs to be improved to prevent similar errors.

OQA relies primarily on the SSI claims control system for determining the location of SSI case files. This system is to monitor movement of SSI case files and to provide information on where the files can be located.

OQA did not review the SSI case files for 46 of the 128 payment error cases it had identified in our sample because the files could not be obtained from locations indicated by the SSI claims control system, and further efforts to obtain these files were minimal. We obtained the case files for 40 of the 46 cases because, based on information in SSA's records, we were able to identify the location of these files.

Ten case files were found to be directly beneficial to the quality assurance reviews. These files provided either (1) leads to additional income sources that may affect payment or eligibility, (2) information that changed the error characteristics, such as what caused the error, or (3) information that showed that the case was not in error. For example, in one case OQA found a recipient to be underpaid during the sample month. The case file, however, contained information showing that the recipient received in-kind income which had not been considered by OQA. Our evaluation of the in-kind income showed the recipient to be ineligible for any SSI payment during the sample month.

We also reviewed case files on 227 of our sample cases where OQA did not find payment errors. About 23 percent of the files provided additional information or leads on sources of income or resources that may have affected the recipients' payment or eligibility status. While we did not follow up on all leads, eight case files contained information which led to the development of payment errors.

For example, one case file showed that the recipient had received a monthly SSI payment of \$259. The recipient was also receiving monthly income from the Cuban Refugee Program (which provides Federal assistance to needy Cuban refugees). During an interview with the recipient the OQA specialist did not discover the Cuban Refugee payments and as a result the case was not found to be in error. After we brought this case to OQA's attention, it was determined that the recipient was being overpaid \$136 monthly.

In our view, OQA should reassess its case review policy and consider reviewing case files for all sample cases. We believe this review is necessary to fully assess the accuracy of SSI payments, as well as to evaluate the degree of uniformity and effectiveness of SSA personnel in applying SSI policies and procedures. As a minimum, OQA should review case files for all error cases and work with other SSA components to improve the usefulness of the SSI claims control system.

#### LACK OF UNIFORM TRAINING PROGRAMS

OQA does not specify the training that specialists should receive. OQA instructions merely state that all specialists be given a minimum of 4 hours training a month. Therefore, each field office develops and provides its own training courses. As a result, there is no assurance that specialists receive adequate and uniform training on SSI policy issues and case development techniques.

In the four field offices visited, in-house training varied from a structured lecture on specific issues to an informal discussion. For example, one office with a high number of improperly developed cases had informal open discussion training sessions with only occasional presentations made to clarify a particular problem area or introduce new material. A more formal training approach was used in another office where fewer underdeveloped cases were found. Specific topics were selected and formally presented to the staff in accordance with a prepared agenda.

OQA's central office gave little direction on training. In 1976 the central office provided only two training packages--one revised the OQA operating manual and the other explained changes in SSI eligibility requirements. An OQA field office official said these training packages were helpful in providing lesson plans for local training sessions. The official also stated that more frequent distribution of such training packages would provide greater consistency in case development and review procedures nationwide. OQA central office officials noted that, at the expense of OQA's training efforts, emphasis had been on producing technical instructions needed to keep pace with rapidly changing SSI policies.

Specialists are also supposed to receive individualized training from the senior specialists. This training is based on deficiencies noted during case and field reviews of specialists' work.

Case reviews assure that specialists have developed cases properly and identify individual training needs. At the time of our review, senior specialists were to review all error cases. This policy was changed in December 1976 to give the field office managers responsibility for determining the cases to be reviewed based upon the managers' experiences with the kinds and frequency of errors within their areas.

While all four field offices performed case reviews, the adequacy of these reviews is questionable. We found that 74 of the 128 payment error cases identified by OQA in our sample contained development or documentation deficiencies, such as those pointed out in appendix II, which should have been, but were not, found by senior specialists.

Also, the case reviews were not always conducted by the senior specialists nor were they used as a training device. For example, the local policy of one office, for which we reviewed 126 sample cases, was to review all cases. The senior specialist at this office had reviewed 64 of the 126 cases included in our sample. The other 62 cases were "peer" reviewed by other specialists, including one specialist who had been in OQA for only 5 weeks. The senior specialist said that the case review process could help to identify which specialists were making errors and needed direction. However, he said he did not have time to give individual help. This office had a senior-to-specialist ratio of 1 to 11, while in the other three offices, the ratio varied from 1 to 6, to 1 to 8.

Senior specialists are required to conduct field audits every 3 months. Senior specialists accompany the specialists on their interviews with recipients to evaluate the specialists' interview techniques and the thoroughness of the specialists' review efforts. Two of the four field offices were not conducting field audits as often as every 3 months. One office conducted the audits only twice a year because senior specialists believed such audits should coincide with semi-annual appraisals of specialists' performance. The other office did not conduct the audits on a regular basis because, according to the senior specialist, he had a heavy workload. At the time of our review, this office had three specialists who had not been audited. All three specialists had been with OQA for 9 months.

In our opinion, some flexibility is necessary to meet individual field office training needs. However, we believe adequate and consistent overall training is needed to achieve uniformity and to assure the OQA review function is conducted in the most efficient possible manner.

## EXCLUSION POLICIES MAY BIAS SAMPLE FINDINGS

OQA excludes certain cases from its sample which may bias the sample and understate the error rate. A biased sample is one which does not represent the population or universe from which it was selected.

For the January through June 1976 sample period, OQA excluded 981 (4.2 percent) of the total 23,516 cases sampled. The following table shows the types of cases excluded, all of which appear to have a high probability of error.

<u>Reason for exclusion</u>	<u>Number of cases</u>	<u>Percent of total cases</u>
Unable to contact recipient	181	.8
Recipient refused to cooperate with OQA	639	2.7
Suspected fraud	48	.2
Others (includes lost sample case folders, cases where a material deficiency could not be resolved, and cases where recipients are outside the United States)	<u>113</u>	<u>.5</u>
Total	<u><u>981</u></u>	<u><u>4.2</u></u>

Recipients who refuse to cooperate with OQA specialists may do so because their circumstances have changed which would affect their payment status. Also, recipients who cannot be contacted may have moved or are on extended visits; this may have the effect of changing their payment status.

OQA has not studied how exclusions may bias sample findings. However, the characteristics of the excluded cases are such that the error rate for these cases may be substantially higher than for the nonexcluded cases. Also, the information on the 27 exclusion cases in our sample of 556 OQA cases showed that for 13 of the excluded cases either an incorrect payment was made during the sample month or the possibility for ineligibility or payment error was high. For example, one case was excluded because the recipient would

not permit OQA to verify a savings account balance. However, the recipient did inform the specialist that he had over \$3,000 in a joint savings account. The specialist referred the case to the district office and the recipient was subsequently removed from the program.

In our opinion, OQA needs to study the effect excluded cases could have on biasing sample results. Based on the results of such a study, OQA may need to adjust its sample size to minimize the amount of bias caused by excluded cases.

EXCLUSION POLICY CAUSES REPORTED ERROR  
RATES TO BE UNDERSTATED

Beginning with the January through June 1976 sample period, OQA excluded from its reports certain errors which are caused by delays in processing recipients' changes in circumstances. <sup>1/</sup> Therefore, the reported case error rate for this period was reduced by 3.7 percent.

Under this exclusion policy, a deficiency is not reported when the recipient's circumstances change during (1) the month preceding OQA's sample month, (2) the sample month, or (3) any month remaining in the calendar quarter. SSI monthly payments are calculated on a quarterly basis and if a recipient received additional income in 1 month of the quarter, this income would also affect the SSI payment in the other 2 months. For example, one deficiency which is not reported, but involves significant SSI overpayments and is administratively correctable, concerns delays in approving concurrent disability applications from recipients that may be eligible for both disability insurance <sup>2/</sup> and SSI benefits. During fiscal year 1976 there were over 234,000 SSI disability awards to recipients applying concurrently under the two programs. In a February 1978 report to Congresswoman Elizabeth Holtzman entitled "The Social Security Administration Needs to Improve Its Disability Claims Process" (HRD-78-40), we pointed out that SSA is usually able to determine entitlement to SSI and disability insurance benefits simultaneously, however, it is unable to process the payments at the same time. Consequently, SSI benefits are paid to recipients before disability insurance benefits for the same period are paid. Because payments for disability insurance are considered income for SSI purposes, recipients were paid an estimated \$64 million

---

<sup>1/</sup>The errors discussed on pages 1 and 2 include this type error.

<sup>2/</sup>Title I of the Social Security Amendments of 1950 (42 U.S.C. 301 (1970))--Federal Old-Age, Survivors, and Disability Insurance Benefits.

in undeserved SSI benefits. We, therefore, recommended that the Secretary of HEW direct the Commissioner of SSA to realign the SSI and disability insurance payment process to eliminate undeserved payments as much as possible. SSA has established a task force to carry out this recommendation.

Deficiencies like the above should be reported so that the Congress can be fully apprised of the administrative efficiency of the SSI program and SSA management can take appropriate corrective action to eliminate the causes of these deficiencies.

## CONCLUSIONS

The OQA system is intended to provide a uniform and accurate assessment of the operation and administration of the SSI program. However, the statistics produced by the system do not fully reflect the quality of program actions partly because (1) specialists did not develop cases according to OQA procedures, (2) OQA's data-gathering and case development techniques do not assure that all errors are identified, and (3) training and supervision in OQA field offices are generally not adequate. OQA excludes cases from its sample that may bias sample findings. Also, SSA does not report certain types of errors which understate its reported error rate.

To improve the reliability and usefulness of its data, OQA needs to adopt, as soon as possible, a highly structured form for recording data such as the one currently under development. OQA should assess its case review policy and consider reviewing case files on all sample cases to assure that more relevant data is collected and more deficiencies are found. In conjunction with other SSA components, OQA needs to assess the problems with obtaining case files by using the SSI claims control system. Also, OQA needs to establish a training program to assure that specialists uniformly assess the quality of the SSI program.

OQA's policy for excluding certain sample cases from review may bias sample findings and understate error rates. We believe OQA needs to assess its exclusion policies and, if needed, adjust the sample to reduce any bias. Also, unreported errors understate the extent of program errors. OQA needs to report all errors, including those deficiencies caused by delays in processing a recipient's change in circumstances, to accurately reflect the quality of program actions, and take such action as may be considered necessary to eliminate problems associated with the unreported errors.



## RECOMMENDATIONS TO THE SECRETARY OF HEW

We recommend that the Secretary direct the Commissioner of SSA to act to improve the uniformity, accuracy, and reliability of OQA's review process and data. To do this, the Commissioner should require OQA to:

- Adopt a highly structured form for obtaining and recording, during the review process, all pertinent data on a recipient's eligibility and SSI payment amounts.
- Assess its case review policy and consider reviewing case files on all sample cases, and in conjunction with other SSA components, resolve the problems with obtaining case files by using the SSI claims control system.
- Establish an adequate and uniform training program for all specialists.
- Assess how exclusion policies may bias sample findings and remove or minimize any bias.
- Report all errors found during the review process, including those deficiencies caused by delays in processing recipients' changes in circumstances.

## HEW COMMENTS AND OUR EVALUATION

HEW commented on our recommendations in a letter dated December 19, 1977. (See app. I.)

With respect to adopting a highly structured form for obtaining and recording data during OQA reviews, HEW said OQA recognized the need to reevaluate the data collection form and prepared a more highly structured form for field testing. HEW said they will be evaluating the quality of the OQA interview in terms of the accuracy and completeness of data gathered in the test. OQA informed us, subsequent to the receipt of HEW's comments, that it had completed its field test and expects to issue a revised data collection form in May 1978.

HEW agreed that it is possible that a lead to an error may be present in the SSI case file and said OQA will undertake a study to assess the value of reviewing the case file for each sampled case. The study will evaluate the benefits gained in conducting case file reviews as compared to the costs in terms of the additional time required to obtain and review case file documentation for all sample cases. HEW

said the results of the study will be available by June 1, 1978. HEW also said OQA will continue to work with other SSA components to make the SSI claims control system more responsive.

In response to our recommendation concerning the establishment of an adequate and uniform ongoing training program for OQA specialists, HEW agreed that adequate and consistent overall training is needed to achieve uniformity and assure the OQA review function is conducted in the most efficient manner possible. HEW said OQA has now been formally organized and the training component will be responsible for conducting an onsite operational review which will assist in the development of training programs. HEW agreed, however, that some flexibility is necessary to meet individual office training needs. According to HEW, the staffing for the training component has been brought up to the appropriate level and a more positive and systematic approach will be given to training needs.

HEW agreed that excluded cases should be examined more closely and said OQA will undertake a study of cases excluded from the sample. It added, however, that because it is dealing with the needy aged, blind, and disabled, such an examination would be sensitive and difficult. According to HEW, a pilot study of excluded cases in one field office will be used to develop a planned approach in assessing the exclusion policy.

With regard to our recommendation that all errors found during the review process, including those caused by delays in processing recipients' changes in circumstances, be reported, HEW said OQA reviews the accuracy of all payments made during the sample period. HEW said that a payment adjustment lag occurs when a change in the amount of benefit in the month preceding the sample month, the sample month, or any month remaining in the calendar quarter cannot be reflected in the check which was issued in the sample month. It added that payments which occur during this time frame are not errors but that OQA does record and evaluate this data. According to HEW, this data has been used to support a legislative proposal to change the computation for SSI benefits from a quarterly to a monthly basis.

HEW noted that OQA had conducted a study of payment adjustment lag errors in disability insurance benefits to assure that the erroneous payment is corrected in a timely manner. HEW said the exclusion of payment adjustment lag deficiencies is in agreement with the error definition used by the Aid to Families with Dependent Children (AFDC) quality

control systems in the States and is intended to highlight the complexities in administering the SSI legislation rather than to obscure these administrative difficulties. It also noted that recording these errors as a separate category provides SSA with a useful distinction and enables SSA to commit resources in the best possible way to improve the quality of the SSI program.

While we recognize that payment adjustment lag errors are reviewed and recorded by OQA, we are concerned that these errors are not reported to the Congress and HEW and SSA management to highlight difficulties with this program. One of the major objectives of the quality assurance system is to fully assess and report on how well the SSI program is operating and to point out weaknesses in the program that require corrective action. One weakness that was not being reported on or resolved until we looked into the matter was the process for approving disabled recipients that were eligible for disability insurance and SSI benefits. As discussed on page 15, this problem is resulting in these recipients being needlessly paid \$64 million annually in SSI benefits and will most likely continue until the task force completes its work and appropriate action is taken to eliminate the problem.

Full disclosure to the Congress and HEW and SSA management on how well the SSI program is operating should assure that appropriate emphasis is placed on resolving the problem discussed in our report to Congresswoman Holtzman, as well as other problems which are caused by delays in processing recipient applications and changes in their circumstances. Although we have not looked at the AFDC program for non-reporting of similar problems, we believe it is equally important to report such errors under this program so that proper attention will be given to resolve them.

### CHAPTER 3

## THE SSI QUALITY ASSURANCE SYSTEM NEEDS

### TO PROVIDE MANAGEMENT-EFFECTIVE

### CORRECTIVE ACTION RECOMMENDATIONS

The OQA system is intended to not only measure the quality of SSI program administration, but more importantly, to formulate corrective action plans for improving program administration. While OQA has identified problem areas and has provided SSA management with information for reducing program deficiencies, several weaknesses prevent OQA from playing a more effective role in the corrective action planning process. Specifically:

- OQA is required to use most of its staff for obtaining data for determining FFL instead of studying specific program problems.
- OQA's data base does not provide all the data needed for meaningful corrective action planning.
- SSA does not have a formal corrective action system to assure that OQA data and resources are used effectively.

In our opinion, OQA can play a more effective role in the corrective action process by concentrating more of its efforts on analyzing specific program problems. However, we believe OQA cannot be fully effective unless SSA uses OQA data and makes OQA the catalyst in a formal corrective action system.

### OVEREMPHASIS ON GATHERING DATA FOR FEDERAL FISCAL LIABILITY

A major factor preventing the OQA system from performing more indepth analyses of program problems is the requirement that the system provide FFL data. SSA uses this data to determine the Government's liability to the States for incorrect payment of State supplements. Other means of satisfying the FFL requirement should be explored to remove the FFL requirement from OQA and, thus, allow OQA resources to be used in evaluating specific program problems.

## Status of Federal fiscal liability

SSA is contractually obligated to pay States for any errors above established tolerances in cases where it administers State supplements. While not required by the Social Security Act, the tolerance levels are 3 percent for payments to ineligible and 5 percent for overpayments. These are the same sanctions HEW regulations had imposed prior to May 1976 on the States for administering Federal funds in the AFDC program. 1/ To conform with AFDC program reporting requirements, SSA contracted with the States to report FFL data on a 6-month basis. These agreements require that OQA data be used to determine the amount of FFL, beginning with the January through June 1975 sample period.

In May 1976 the U.S. District Court for the District of Columbia ruled on a suit brought by Maryland and 13 other jurisdictions challenging the tolerance levels which were established for the AFDC program. The court ruled that the tolerance levels were arbitrary and capricious. As a result, fiscal sanctions are not being applied in the AFDC program. On December 20, 1977, the Social Security Act was amended by Public Law 95-216 to establish a system of fiscal incentives for States to lower AFDC payment error rates. Under the amendment, States that reduce their dollar error rate below 4 percent, but not more than 3.5 percent, will receive 10 percent of the Federal share of money saved. This incentive percentage increases proportionately as further reductions in the error rates are achieved.

Presently, HEW and the States are studying alternative methods for establishing tolerance levels and imposing fiscal sanctions in the AFDC program for payment errors above 4 percent. In this regard, State officials have argued that fiscal disallowances or sanctions are not appropriate in the AFDC quality control program. They emphasized that quality control in the AFDC program was designed to improve program management and that error rates were never intended to measure program results. They stated that error rates are properly used only in the context of management information, rather than as a basis for Federal financial penalties or disallowances of participation.

---

Federal grants to States for aid and services to needy families with children and for child welfare services.

SSA's contracts with the States for administration of State SSI supplementary payments provide for the contracts to be renegotiated to conform with any future fiscal sanctions established by HEW in its regulations.

### Impact of Federal fiscal liability on the OQA system

The OQA system's sampling plan basically consists of two sample types. One is the FFL sample that includes recipients who receive a federally administered State supplemental payment. The other sample is composed of recipients who receive only a Federal payment. Together, the samples measure program quality. Of the 22,535 sample cases completed for the January through June 1976 sample period, 58 percent were for FFL.

The FFL requirement controls the size of the OQA sample and the length of the sample period. These factors influence how the OQA staff will be used. For example, FFL data requires sampling on a State basis and must be gathered for a 6-month period. Consequently, the sample size must be large enough to be statistically valid for each State over this period, and OQA resources must be directed toward completing the required number of cases. As a result, OQA cannot divert its resources for more indepth analyses of specific program issues and problems.

OQA officials stated that the sample size prevents them from using more staff for indepth evaluations of specific program problem areas. They said the staff must be used to gather statistically reliable data for FFL purposes. In addition, OQA officials stated they need to do both FFL and non-FFL sample cases to give SSA management an overview of program quality and to highlight errors on a regional and State basis. Consequently, little staff time is available for studies outside the scope of the regular sample reviews.

In our opinion, OQA could more effectively provide an overall measurement of program quality and perform more indepth evaluations if SSA (1) removed from OQA the obligation to obtain FFL data and (2) used some other mechanism, such as the automated overpayment system, to satisfy the FFL requirement.

SSA's automated overpayment system is used to record erroneous payments made to SSI recipients. The system includes information on the names, social security numbers, overpayment amounts, and the months in which recipients were

overpaid. Thus, information on overpayments of State supplements to SSI recipients would be readily available through the use of this system.

The automated overpayment system is somewhat different from the OQA system in that it computes the payment error amount for each recipient by comparing the actual payment made with the amount of payment that should have been made. These overpayment amounts are identified by SSA during its day-to-day operations following established program policies and procedures. The OQA system, however, goes beyond the program procedures and identifies and projects what the payment errors would be if the cases were developed to their fullest extent. The results of these reviews are used to establish FFL notwithstanding that it may not be cost effective for the agency to carry out such an extensive review in their daily operations.

Accordingly, in our view, it would be more appropriate to establish liability to the States in those cases where SSA failed to comply with its prescribed policies and procedures for implementing the SSI program rather than on an OQA error rate which is based on procedures that may not be feasible for daily program operations. In this regard, SSA's automated overpayment system would provide the type of information which SSA could use to settle any fiscal liability to the States. OQA could then direct its reviews toward evaluating the accuracy of payments to recipients on a regional rather than State basis. In this regard, SSA regional offices have primary responsibility for correcting field problems associated with inaccurate SSI payments.

OQA officials said that if the sample requirements were not dictated by FFL agreements, the sample design could be a 6-month sample valid to the regional level. They said this would allow approximately 20 percent of the present staff to work on special studies and to analyze problem areas. In addition they said the 6-month reports, based on this primary sample, would continue to measure the SSI program on a regional level and for the Nation which could be supplemented by State and regional data.

#### LACK OF SUFFICIENT DATA FOR CORRECTIVE ACTION

The key to improving the quality of a program is an effective system that can give management the data needed to identify and correct problem areas. The information needed to formulate corrective action for reducing payment errors in the SSI program includes data on the specific types

and causes of deficiencies. However, the computerized data base that OQA uses for producing most of its reports and corrective action recommendations does not contain specific information on the types and causes of deficiencies. OQA also does not always perform sufficient data analyses to facilitate corrective action. As a result, according to SSI central and field office program officials, OQA has been ineffective in identifying specific problem areas and formulating corrective action.

#### Types and causes of deficiencies not specific

A finer breakdown of some deficiencies is needed to determine proper corrective action. For example, one major deficiency OQA found during its January through June 1976 sample period was broadly defined as "support and maintenance." Although OQA identifies whether support and maintenance is provided in cash or in kind, this deficiency type could be more specific since it includes alimony payments, free housing, rental below value, free mobile home parking, contributions for rent, free utilities, and free food. Without knowing the specific deficiency type involved, a meaningful corrective action plan cannot be implemented. One action may be needed to correct a support and maintenance deficiency involving free housing, while an entirely different action may be required to correct deficiencies involving alimony payments. For example, one type may require a legislative change while the other may only require a change in SSA policy. According to OQA, revisions in progress will provide a more definitive breakout of the support and maintenance deficiency.

OQA does not always clearly define deficiency causes. According to OQA data, the major cause of SSA-related deficiencies for the January through June 1976 sample period was that SSA district office personnel did not correctly follow SSA's developmental and verification procedures. An SSA official noted that, because this deficiency does not adequately describe why procedures were not followed, it is not helpful in pursuing corrective action.

Also, OQA reports that recipients cause over 50 percent of the SSI payment deficiencies because they either failed to report a change in their circumstances or provided SSA with incorrect information. Recipients may fail to report changes or give correct information for a variety of reasons, including that they were unaware of the reporting requirements or they had problems contacting SSA to inform it of changes. OQA is presently conducting a special study on nonreporting to determine why recipients fail to report changes in their circumstances.



## Incomplete data analysis

More data analysis should be done by OQA to facilitate corrective action planning. Two analyses that are important for corrective action (that OQA does not routinely report to SSA management) are (1) the length of time deficiencies have existed and (2) the incidence of deficiencies.

OQA sample cases include cases with errors that occurred several months or several years prior to discovery. Because SSA policies, procedures, and operating methods change, OQA should present its data to show the effects of these changes. This information is in OQA's data base and, according to OQA, is used in special studies and in cost-benefit analyses of corrective action recommendations. However, an SSA official stated that this information would aid management in determining whether corrective action should be undertaken, and the nature and extent of such action. For example, the operating procedures that caused a particular error in early 1974 may have been subsequently modified to avoid such errors in future claims.

In our opinion, to determine where to direct corrective action resources and which deficiencies may be the most practical to correct, the incidence of the deficiencies should also be known. In other words, out of all the recipients with a similar deficiency characteristic that could affect payment (e.g., a bank account) how many are in error? For example, two of the top ten deficiencies found by OQA during the January through June 1976 sample period were errors in information in bank accounts and real property. The following table compares the magnitude of these deficiencies.

<u>Deficiency type</u>	<u>Case errors</u>		<u>Payment errors</u>	
	<u>Case error rate (percent)</u>	<u>Number of incorrect cases</u>	<u>Payment error rate (percent)</u>	<u>Amount of incorrect payments</u>
Bank accounts	2.5	108,482	1.9	\$9,417,513
Real property	.5	22,299	.5	2,269,791

Based on this data, it appears that more resources should be directed at correcting bank account deficiencies because the number of cases in error and the amount of incorrect payments are substantially higher than real property deficiencies. However, the 108,482 bank account deficiencies may represent only a small percentage of all recipients with bank accounts, while the 22,299 real property deficiencies may represent the vast majority of recipients with real property. If this is the case, it may be just as important and possibly more efficient to direct corrective action toward solving the real property deficiencies.

SSA officials responsible for SSI program operation stated that, if OQA provided detailed information on the specific types, causes, and incidence of deficiencies, this data would facilitate corrective action planning. They also stated that, if OQA would make data pertinent to specific SSI actions and organizations and provide data to distinguish between current and past operating practices, it could be used to determine appropriate program actions.

SSA officials also stated that OQA can and should play a more effective role in evaluating and developing appropriate legislative changes to the SSI program. They said that OQA data are useful in developing, along with other data and information, trends on how well some SSI policies are being applied. However, they said OQA error rate reports have been difficult to use in identifying specific program problems that might be solved through legislative change because most of the error types are too broad. They said that ideally error rate analysis should suggest new proposals for program simplification that probably would not have surfaced otherwise.

In our opinion, OQA does collect specific data on the characteristics and causes of deficiencies that may be used for recommending legislative changes and other corrective actions. However, not all the data collected are put into the computerized data base. Consequently, the data are not reported unless OQA does a special study where its case files are reviewed individually and the data tabulated manually.

OQA officials said that not all the information obtained by field staff can be computerized because the data base has not been designed to handle all the data collected. They said the data base can be expanded, but this requires time-consuming computer programming changes. For example, increasing the number of deficiency codes would take between 6 and 9 months. According to an OQA official, OQA is examining ways to expand the data base and to redesign input documents so that more data will be available for analysis.

OQA officials said they have performed various studies (see app. III) and analyses that have greatly improved the program. For example, OQA's analysis of district office interviewing techniques for obtaining income and resource information from recipients led to improved interview techniques.

According to HEW, OQA has also participated in evaluating and developing legislative changes. Based on a study of bank accounts and resource data obtained in the OQA sample review, HEW pointed out that OQA proposed an increase of \$500 in the SSI-resource limitation and supported eliminating home ownership as a resource. OQA data has also been used to recommend legislative changes to exclude burial protection insurance from resources and the value of in-kind support and maintenance from income and to change from a quarterly to a monthly computation. In addition, HEW said data furnished by OQA have been used to support or refute legislative proposals recommended by other SSA components. OQA officials noted, however, that more studies and indepth analyses should be done but that only a limited number of OQA personnel are available full time to analyze data, perform special studies, and formulate corrective action plans.

#### LACK OF AN EFFECTIVE CORRECTIVE ACTION SYSTEM

SSA does not have a systematic and coordinated corrective action planning and implementation system for the SSI program that assures that OQA data are used. Moreover, there is no requirement that the intended users of OQA data take action on its findings and recommendations, nor is there a formal mechanism that allows user groups to participate in the OQA system. As a result, OQA studies are occasionally unused by intended users, and duplicative studies are performed.

For example, in 1976 OQA and the Bureau of Supplemental Security Income (BSSI) independently conducted studies on savings account deficiencies. The OQA study was to isolate and identify the characteristics of savings account deficiencies, while the BSSI study was to determine the scope of deficiencies and how OQA specialists identified them. Although the OQA study was intended for BSSI's use, a BSSI official stated that the OQA study did not contain information that could be used for corrective action.

According to HEW, OQA later made a special study of bank accounts to determine which category of SSI recipients were more likely to have excessive bank accounts and why they did not report them to SSI. HEW said the results from

this study were used in (1) several SSA regional training programs to improve interviewing techniques and (2) at least one region to change district office procedures in developing information on bank accounts.

Another area independently studied by OQA and BSSI was on how to restructure the redetermination process. Redetermination is an annual process by which recipients are reevaluated to assure continued eligibility and correct payments. SSA officials recognize that this is a time-consuming process. Therefore, to determine which recipients should receive a comprehensive redetermination and which should not, both OQA and BSSI developed profiles of recipients who were either most likely or least likely to have changes in circumstances that would result in incorrect payments.

The Associate Commissioner for Program Operations stated that the working relationship between BSSI and OQA staffs needs to be strengthened so that current operational concerns and processes are more fully explored during the data design phase of projects, and so that future duplication can be avoided. According to OQA, the profiles it developed for redeterminations will be tested in Chicago beginning in January 1978.

BSSI officials stated that they need data that can be used to measure current operating practices and monitor the effects of changes in policies and procedures. They said that, while OQA's mission is to assess the quality of the payment rolls and provide data for FFL, they believe OQA can provide more useful information needed for administering the program and correcting program problems.

We view the OQA system as an independent program evaluation unit and a management tool to correct program problems. While we believe that OQA should retain its ability to make independent program evaluations, we also believe OQA should respond to user needs. OQA can maintain its independence and be responsive to its intended users if SSA establishes a formal corrective action planning and implementation system that assures OQA resources are channeled toward those operational areas causing major payment errors, and that the data developed are then used in developing corrective action.

HEW recommends such a system for the States' use in the AFDC program. Under this type of system, a group reporting to the SSA Commissioner and composed of members of SSA's various policymaking and operating groups, as well as OQA, would together conduct the following activities:

- Review and analyze OQA results and other information to determine the basic causes of errors.
- Identify various corrective action alternatives to provide management with sufficient information for specifying or determining those alternatives that warrant further study and development.
- Perform a thorough cost/benefit study of corrective action alternatives to develop a full corrective action plan for management to determine whether to approve a commitment of agency resources for detailed development and implementation.
- Develop the full corrective action plan to the level of detail necessary for implementation.
- Monitor the corrective action plan once it is implemented.
- Periodically review and analyze the evaluation data to determine the nature and extent of the impact that the implemented corrective actions have on errors.

Under this type of system OQA resources could be directed by the intercomponent group to gather additional information or study in more detail specific problem areas. OQA resources could also be directed to monitor corrective action plans once the plans are implemented. Because this system involves various organizational entities, strong leadership is necessary to assure that the various entities fully coordinate their efforts. To be effective, the system must be result-oriented and have commitment from SSA's top management.

To maintain its objectivity, we believe that the OQA system should continue to be independent of the operating groups. However, we do not believe that the OQA system can independently supply all the answers to program problems. To obtain the most efficient and effective use of OQA data and resources, to reduce duplicative studies, and to systematically address problems, SSA should establish an intercomponent corrective action planning and implementation system.

## CONCLUSIONS

The OQA system has provided information that has helped direct SSA resources to problem areas. However, because of the sampling plan, insufficient data for indepth program analyses and the absence of a method to fully use the system's resources, OQA has not played as effective and prominent a role in correcting program problems as it could.

To play a more effective role in correcting program problems, OQA needs to restructure its sampling plan by reducing the sample size so that more of its resources can be used to study specific problem areas. Most of its resources are currently being used in developing FFL data. SSA needs to explore the feasibility of using some other mechanism for obtaining this data.

To assure that OQA data and resources are used and directed to studying priority problem areas, SSA needs to establish a formal, intercomponent corrective action planning and implementation system. In this regard, OQA should gather and maintain more data on the characteristics of deficiencies and their causes to facilitate the corrective action process.

## RECOMMENDATIONS TO THE SECRETARY OF HEW

The Secretary should direct the Commissioner of SSA to concentrate more OQA resources on correcting and evaluating specific program problems. To do this, we recommend that:

- SSA study the feasibility of using some other mechanism, such as the overpayment system, for determining the Federal Government's liability to the States for incorrect payments of State supplements.
- OQA be directed to use more of its resources for gathering additional data on errors and for more fully utilizing this data in evaluating and reporting corrective actions that may be needed.
- A formal corrective action planning and implementation system be established for the orderly evaluation of program problems and methods to reduce the problems.

## HEW COMMENTS

The recommendation that SSA be directed to study the feasibility of using some other mechanism for determining Federal liability for incorrect payment of State SSI supplements was added by us after HEW's comments were received. However, in discussing this matter with BSSI officials, they advised us that the issue of having fiscal liability provisions for AFDC, SSI, and Medicaid program funds which are erroneously paid recipients is presently under consideration by HEW and the States. Accordingly, they believed further discussion of a mechanism for establishing this liability was not warranted until HEW and the States reach an agreement concerning fiscal liability for these programs.

In response to our recommendation for gathering additional data on errors and to more fully utilize the data, HEW said revisions are being considered in the forms used to gather and record data. The revisions also include obtaining and recording on the computerized OQA data base additional information which OQA has determined to be necessary in identifying problem areas and recommending corrective actions. In addition, HEW said OQA had developed profiles which relate recipient characteristics to recorded deficiencies. As noted on page 28, the profiles were to be tested in the redetermination process in SSA's Chicago region beginning in January 1978.

In response to our recommendation to establish a formal corrective action planning and implementation system, HEW said that recent steps have been made toward establishing a corrective action system. According to HEW, SSA's Office of Management and Administration was given the responsibility of identifying and suggesting possible corrective actions based on OQA data. HEW said SSA's Office of Program Operations will plan, develop, and implement corrective actions and OQA will evaluate the effectiveness of corrective actions that are implemented.

It remains to be seen whether HEW's proposed system will have a major impact on identifying and resolving SSI program deficiencies.

## CHAPTER 4

### DUPLICATION BETWEEN SSA PROGRAM

### EVALUATION ACTIVITIES NEEDS TO

### BE REDUCED

SSA has not taken a systematic and coordinated approach in evaluating the SSI program. SSA has three groups other than OQA which partly measure and evaluate the quality of the SSI program:

- BSSI, under SSA's Office of Program Operations, has systems that measure the accuracy of initial claims and redeterminations.
- Each SSA district office has a quality control system to assess local performance, including the accuracy of SSI claims and redetermination actions.
- SSA's Office of Program Policy and Planning has an Evaluation and Measurement System (EMS) that evaluates the validity of SSI claims policies and procedures.

Each group is to identify problem areas and recommend corrective action. These activities appear, however, to be redundant. Moreover, we found little effort to coordinate these groups' activities.

SSA should assess its need for four different groups to evaluate the SSI program. While each group may have merit, we believe that consolidating and coordinating their activities will eliminate unnecessary duplication and produce a more effective program evaluation system.

### LIMITATION OF OTHER PROGRAM EVALUATION GROUPS

These groups lack the responsibility, goals, or resources to fully evaluate all program aspects. Specifically, we noted that the groups either do not make indepth data analyses, have restrictive reporting requirements, or lack sufficient staff.

### BSSI systems

The BSSI systems were established in 1976 because the SSA Associate Commissioner for Program Operations stated he needed a system to measure the current accuracy of claims,



redeterminations, and posteligibility changes in order to set quality operational objectives. He stated that the OQA system provided little useful information on the current performance of the operating components responsible for administering the SSI program.

The BSSI systems consist of a case file review of about 18,000 redeterminations and initial claims actions a month. The reviews are conducted by 138 people in SSA's 10 regional offices. Review results are fed into a national data base and reports are issued monthly. These reports provide data on payment and documentation deficiencies and identify the areas most prone to error.

BSSI officials, however, recognized that the systems are limited in the types of analyses they can perform. The systems measure the rate of compliance with policies and procedures, and can be used as a training device to assure that SSA personnel process claims and redetermination actions in accordance with procedures. Also, the systems can identify those procedures that are not clear and need revision. However, since the BSSI systems only examine the documents already in the case file and do not gather additional evidence, BSSI cannot evaluate whether the policies and procedures are achieving their intended results. The systems, therefore, cannot always ascertain whether an incorrect payment will occur from following or not following the procedure.

#### District office's quality control system

The district office's quality control system was implemented in 1974 to provide district managers with a management tool to assess office operations and to propose corrective action. The system is designed to monitor office performance by taking random samples of actions and identifying error causes and where errors occur in the process. The system reviews the workload processing steps for SSA program actions handled by the district offices. For the SSI program, this includes taking random samples of initial claims and redetermination actions. Each SSA district office is authorized one to three operations analysts to carry out the quality control system.

The operations analysts provide a monthly report to the district manager summarizing the results of their reviews. The reports are to include an analysis of errors, their causes, and recommendations for corrective action. Unlike the BSSI systems, the analysts' findings are not recorded

on any data base. The analysts' reports are only for the use of the district manager and are not provided to higher management.

The data gathered by the district office system in its review of SSI claims and redeterminations are similar to that collected under the BSSI systems. For example, the district office system also gathers data on payment and documentation deficiencies and identifies training needs. However, the operations analysts work for the district managers. Also, analysts' reports are restricted to the district managers and the data are not accumulated at the regional or national level to facilitate comparison among districts.

#### Evaluation and measurement system

The EMS program was established in 1964 to evaluate continually the validity of claims policies and procedures in the Old Age, Survivors, and Disability Insurance program and to determine how well these procedures and policies are executed in practice. EMS began doing the same analyses for the SSI program in 1975.

EMS reviews about 300 SSI claims a month. An EMS official stated that its procedures are similar to those used by OQA except that EMS redevelops each claim from case files, whereas OQA only reviews case files on error cases. The reviews consist of a case file review conducted by about 30 of the 43 EMS staff in SSA central office and recipient and collateral contacts conducted by SSA district office staff. Data from the case files and field reviews are put into a computerized data base. The EMS official stated that the data base is more comprehensive than OQA's and contains information on the types, causes, and incidence of errors, as well as detailed information on various aspects of the claims process and recipient entitlement factors. Reports are issued when enough data are accumulated.

Because EMS claims development procedures are more intensive than required by current operating policies and procedures, it can determine not only the extent of compliance with policies and procedures but whether they are achieving their intended results. However, EMS is limited in what it can do because it depends on SSA district office personnel to interview recipients and to make collateral contacts. EMS reviews are not given a high priority by the district offices. As a result, it takes a long time for EMS to obtain sufficient data for reporting.

An EMS official stated that it takes about 12 months to complete a 1-month sample of 300 cases. The official said EMS could review more cases and the cases could be completed in about 3 months if EMS had field staff like OQA to interview recipients and make collateral contacts.

#### DUPLICATION OF ACTIVITIES BETWEEN PROGRAM EVALUATION GROUPS

The four program evaluation groups do essentially two types of evaluation activities. The district office and BSSI systems measure the degree of internal compliance with policies and procedures, while OQA and EMS measure the results of adherence to policies and procedures. Each evaluation activity has merit, but having two groups perform similar functions creates unnecessary duplication.

#### Duplication between OQA and EMS

The potential duplication between the OQA system and EMS was recognized by SSA in 1974. The major difference between the systems in their assessment of SSI are the number of sample cases reviewed, the degree that sample cases are developed, and the amount of information put into their computerized data bases. In comparison to OQA, EMS reviews substantially fewer cases but develops the cases more thoroughly and has a more detailed and flexible data base. Because of its thoroughness, EMS can do more varied analyses than OQA. The need for EMS to review SSI claims would be questionable if OQA were to expand its data base and do a more intensive review of its sample cases.

We endorse the intensive SSI reviews conducted by EMS and do not believe that the EMS reviews should be discontinued or diluted. However, by consolidating the OQA system and EMS, SSA can have one effective and efficient evaluation system that measures the results of compliance or noncompliance with SSI policies and procedures. We recommended earlier in this report that OQA should perform more detailed analyses. We believe the adoption of this and our other recommendations, as well as using the EMS data base as a model for OQA, will eliminate the need for separate EMS reviews of the SSI program.

## Duplication between the BSSI and district office systems

The district office quality control system's and the BSSI systems' claims and redeterminations reviews are similar. Both systems gather data on errors in entitlement factors and payment and documentation deficiencies. The primary differences are that the BSSI reviews are performed at the regional level, the data are intended for regional use, and the information is entered into a national computerized data base; in the other system, reviews are conducted by district office staff, the data are intended for local management, and the data remains in the offices.

The need for the BSSI systems is questionable. The operational reviews needed by management for timely assessment of the quality of district and regional performance can be done through the district office quality control system. As in the BSSI systems, the data gathered by the operations analysts could be accumulated and computerized to compare performance between offices. The 138 field staff conducting the BSSI reviews could be free for other duties, including analyzing the data gathered by the operations analysts.

## CONCLUSIONS

SSA has taken an uncoordinated approach in evaluating the SSI program. Within SSA are three groups, other than OQA, that evaluate various program aspects. Although each group is to identify problem areas and recommend corrective action, their activities appear to be redundant. Moreover, each group's independent efforts are insufficient to adequately evaluate all aspects of the SSI program and correct program problems.

We believe this uncoordinated approach causes unnecessary duplication of effort. Better evaluations directed at correcting program problems can be made if SSA consolidates and coordinates the activities of these groups.

## RECOMMENDATION TO THE SECRETARY OF HEW

The Secretary should direct the Commissioner of SSA to assess the need for separate SSA groups to evaluate the SSI program. Consideration should be given to consolidating the SSI activities of the OQA and EMS systems and the BSSI and district offices quality control systems.

## HEW COMMENTS

HEW said that the stated purpose and current operations of these groups are being assessed by SSA to determine if and how these systems should be consolidated. HEW added that the assessment will be completed by April 1978.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20201

DEC 19 1977

Mr. Gregory J. Ahart  
Director, Human Resources  
Division  
United States General  
Accounting Office  
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report, "Supplemental Security Income Quality Assurance System: An Assessment of its Problems and Potential for Reducing Erroneous Payments." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

Thank you for the opportunity to comment on this draft report before its publication.

Sincerely yours,

Thomas D. Morris  
Inspector General

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
ON THE GAO DRAFT REPORT, "SUPPLEMENTAL SECURITY INCOME  
QUALITY ASSURANCE SYSTEM: AN ASSESSMENT OF ITS PROBLEMS AND  
POTENTIAL FOR REDUCING ERRONEOUS PAYMENTS"

INTRODUCTION

Establishment of new programs and expansion of the old have tremendously increased SSA responsibilities in recent years. This has focused Congressional and public attention on SSA's ability to accept and meet these additional responsibilities. In response to this attention and to meet top management's needs for program evaluation, SSA established a quality assurance (QA) system in 1974 to provide a measure of the effectiveness of the SSI program. It is based on a statistical sample of all records of the master file of Supplemental Security Income Recipients (SSR), which are reviewed by QA field personnel and verified by interviews with the SSI recipients and collateral contacts with third parties.

The system was originally designed and maintained by BSSI, the program bureau. However, it was recognized that a quality assurance system could be more effective if it were independent of the SSA components which have operating responsibility. In 1975 the Commissioner placed responsibility for the SSI Quality Assurance Measurement and Reporting in SSA's Office of Management and Administration (OMA) and in 1976 the responsibility was expanded to include a QA system for all SSA programs.

The GAO audit was performed in the second half of 1976 and early 1977. We are in general agreement with the GAO recommendations and feel that the attention given to these areas will accomplish many of the objectives SSA had previously identified.

We recommend that the audit report specifically note the significant improvements in SSI payment accuracy over the past few years. The case error rate has been reduced by nearly 50 percent, 24.8 percent to about 13 percent, the payment error rate has been reduced by nearly 60 percent, from a high of 11.5 percent to 4.9 percent. These numbers represent a remarkable achievement by SSA's work force.

See GAO note 1, p. 45.]

To add a sense of balance, we believe the audit report should include recognition of the short length of time the Office of Quality Assurance (OQA) system has been in exis-

GAO note: Page numbers in this appendix refer to the page numbers in the draft report.

tence. In addition, extensive changes were being implemented in the QA collection and reporting process during the period in which GAO reviewed OQA operations. The quality of the work would naturally fall during this implementation period; it accounts not only for a large number of the documentation errors but it also affected the length of time devoted to obtaining SSA casefiles for QA revision.

#### GAO Recommendations

That the Secretary direct the Commissioner of SSA to take action to improve the uniformity, accuracy, and reliability of OQA's review process and data. To do this, the Commissioner should require OQA to:

- Adopt a highly structured form for obtaining and recording during the review process, all pertinent data concerning a recipient's eligibility and SSI payment amounts.

#### Department Comment

OQA has recognized the need to reevaluate the data collection form used in conducting interviews and recording information obtained during the QA review and has prepared a more highly structured form which will be field tested next month. We appreciate the concern that the form be highly structured to assure that each case is thoroughly and uniformly documented; however, consideration should also be given to the benefits to be derived by using an open ended format. An open ended form allows the interviewer to structure the interview to each recipient. This not only makes the interviewing atmosphere more positive, it also establishes a continuity in the interview. A response to one question often provides a clue or an introduction to another question. Such an interview, guided by a general form which insures that all basic questions are discussed, often provides data which would never be obtained by a highly structured "yes" or "no" format. We will be evaluating the quality of the QA interview in terms of the accuracy and completeness of data gathered in the test. Findings and recommendations from the test will be completed by the end of the year.

- Assess its case review policy and consider reviewing casefiles on all sample cases, and in conjunction with other SSA components, resolve the problems of obtaining casefiles by using the SSI claims control system.



It is possible that a lead to an error may be present in the casefile yet remain undiscovered during QA redevelopment of a claim. Based on the GAO recommendation, OQA will undertake a study to assess the value of reviewing the casefile for each sampled case. This study will evaluate the benefits gained in conducting casefile reviews as compared to the costs in terms of the additional time required to obtain and review casefile documentation for all sample cases. Although the QA function is to thoroughly redevelop sample cases there is a point beyond which the cost of further development is so high and the resulting benefit so low that additional development is unjustified.

[See GAO note 2, p. 45.]

The results of this study will be available by June 1, 1978. OQA will continue to work with other SSA components to make the SSI claims system more responsive.

- Establish an adequate and uniform ongoing training program for all specialists

#### Department Comment

We are in agreement with the GAO report which indicates that "... some degree of flexibility is necessary to meet individual office training needs." We also agree that "... adequate and consistent training overall is needed to achieve uniformity and assure the OQA review function is conducted in the most efficient manner possible." OQA has now been formally organized and the training component will have the basic responsibility for conducting onsite operational review which will assist in the development of training programs. The staffing will be brought up to the appropriate organizational level by January 1, 1978. A more positive and systematic approach will be given to the areas of training needs addressed in the GAO report.

- Assess how exclusion policies may bias sample findings and take action to remove or minimize any bias

#### Department Comment

We agree that excluded cases should be examined more closely. Based on the GAO recommendation OQA will undertake a study of cases excluded from the sample; however, because we are dealing with the needy aged, blind, and disabled, such an examination will be sensitive and most difficult. A pilot study of excluded cases in one field office will be used in developing a planned approach to assessing the exclusion policy.

- Report all errors found during the review process, including those caused by delays in processing recipients' changes in circumstances.

#### Department Comment

Quality Assurance reviews the accuracy of all payments made during the sample period. Errors due to the payment adjustment lag (PAL) occur because a change in benefit amount could not be affected before the sampled check was received. This category includes changes in the month preceding the sample month, the sample month or any month remaining in the calendar quarter.

Payments which occur during this time frame are not "errors", however, QA does record and evaluate this data. The data has been used to support a legislative proposal to change from a quarterly to a monthly computation period. OQA has also conducted a study of PAL errors due to Title II entitlement to assure that the erroneous payment is corrected as timely as possible. The exclusion of PAL deficiencies is in agreement with the error definition used by the AFDC Quality Control Systems in the States and is intended to highlight the complexities in administering the SSI legislation rather than to obscure these administrative difficulties. Recording these errors as a separate category provides SSA with a useful distinction and enables us to commit resources in the best possible way to improve the quality of the SSI program.

#### GAO Recommendations

The Secretary should direct the Commissioner of SSA to concentrate more OQA resources on correcting and evaluating specific program problems. To do this, we recommend that:

[See GAO note 2, p. 45.]

[See GAO note 2, p. 45.]

OQA be directed to use more of its resources for gathering additional data on types and causes of errors and for more fully utilizing this data in evaluating and reporting corrective actions that may be needed.

Department Comment

Several projects are in progress which support the objectives mentioned. Revisions are being considered in the forms used to gather and record data. The revisions also include obtaining and recording on the QA data base additional information which OQA has determined to be necessary in identifying problem areas and recommending corrective actions. However, as the discussion which follows will indicate, we do not think the GAO report recognizes the past and present resources devoted to corrective action activities.

The report indicates that OQA has not been effective in identifying specific problem rective areas and formulating corrective actions. The report would be more meaningful and helpful to SSA if past corrective action recommendations were evaluated. Several have been implemented and substantial improvement has been achieved by SSA. "Support and Maintenance" is given as an example of a deficiency which is too broad for effective corrective action. OQA does identify whether the support and maintenance is cash or in-kind contributions, and revisions in progress will provide an even more definitive breakout.

Two examples of incomplete data analysis which OQA fails to make are given on page 36 of the report as "length of time deficiencies have existed" and the "incidence of the deficiencies." Effective January 1976 OQA began recording the number of months a deficiency has existed. This data is used in special studies and in cost benefit analysis of corrective action recommendations. The number of sample cases with a particular deficiency is recorded and projected to the universe of SSI recipients. Also identified and recorded is the point in the SSI process when the deficiency occurred; the time of initial application, the redetermination, or a change reported by the recipient but no redetermination was made.

The example given on page 37 of the report is similar to the approach taken by the Profiles of Regional Data developed by OQA. These profiles became available earlier this year. They go even further than the example presented by recording characteristics (two or more) of all recipients. Recipients are then grouped by related characteristics, and the profile of each is related to recorded deficiencies. These Profiles will be piloted in the redetermination process in the Chicago Region beginning in January 1978.

The suggestion on page 38 that OQA should play a role in evaluating and developing appropriate legislative changes ignores OQA's participation in this process for the past 3 years. Based on a Special Study of bank accounts and resource data obtained in the primary QA sample review, OQA proposed an increase of \$500 in the resource limitation. QA data has also been used to recommend legislative changes to exclude burial protection insurance from resources, to exclude the value of in-kind support and maintenance from income, and to change from a quarterly to a monthly computation. Data furnished by OQA has been used in other instances to support or refute legislative proposals recommended by other SSA components. Eliminating the home as a resource was supportable based on QA findings.

On page 40 there is a quotation that the OQA bank account study was intended for BSSI's use but did not contain information that could be used for corrective action. The GAO report could give a more complete account of the bank account problems.

The SSI applications were revised to include more specific questions about bank accounts after an Ineligibility Study conducted by OQA showed that unreported bank accounts were a major source of incorrect SSI payments. Subsequently, a special study of bank accounts was made by OQA to determine

which category of SSI recipients were more likely to have excessive bank accounts and why the recipients did not report them to SSI. Results from this study were used in several regional training programs to improve interviewing techniques and in at least one region to change district office procedures in developing information on bank accounts.

- A formal corrective action planning and implementation system be established for the orderly evaluation of program problems and methods to reduce the problems.

#### Department Comment

Recent steps have been made toward establishing a corrective action system with the Commissioner's decision on organizational responsibilities. SSA's Office of Management and Administration (OMA) was given the responsibility of identifying and suggesting possible corrective actions based on QA data. SSA's Office of Program Operations (OPO) will plan, develop, and implement corrective actions--and the Deputy Commissioner will approve corrective action plans outlined by OPO. OMA-QA will evaluate the effectiveness of corrective actions implemented by OPO.

#### GAO Recommendations

The Secretary should direct the Commissioner of SSA to assess the need for separate SSA groups to evaluate the SSI program. Consideration should be given to consolidating the SSI activities of the OQA and EMS systems and the BSSI and district offices quality control systems.

#### Department Comment

The stated purpose and current operations of these groups are being assessed by SSA to determine if and how these systems should be consolidated. The assessment will be completed by April 1978.

GAO note 1: The low error rates (13 and 4.9 percent) are preliminary rates for the April through September 1977 reporting period (final rates are 13.4 and 5.2. These low rates do not include errors which are caused by delays in processing recipients' changes in circumstances. (See discussion on page 15.) The high error rates (24.8 and 11.5); however, do include these errors, thereby making any comparison of these figures somewhat misleading.

GAO note 2: Deleted comments relate to matters presented in the draft report which have been revised in the final report.

SAMPLE CASE ITEMS NOT FULLY DEVELOPEDOR DOCUMENTED

	<u>Field offices</u>				<u>Total</u>
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	
Applicant identification:					
Date of birth	1	-	1	-	2
Social security number	1	1	-	-	2
Citizenship	2	1	-	-	3
Residency	1	1	-	-	2
Marital status	16	2	-	1	19
Living arrangements:					
Household	22	11	5	5	43
Institution	4	-	-	1	5
Income:					
Work and military history	28	15	14	7	64
Earned income	2	1	-	1	4
Unearned income	10	6	2	5	23
Resources:					
Liquid resources	4	8	3	3	18
Real estate	5	5	1	2	13
Motor vehicle	1	3	-	-	4
Life insurance	2	2	3	-	7
Worksheets (mathematical computations)	5	4	2	7	18
Coding sheets (input to the data base)	22	33	13	20	88
Others	<u>7</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>11</u>
Total	<u>133</u>	<u>93</u>	<u>46</u>	<u>54</u>	<u>326</u>

LIST OF OQA STUDIES

<u>Title</u>	<u>Date</u>
BSSI-QA One-Time Payment Study	10/4/74
Deficiency Analysis Report	10/23/74
Redetermination Study - Preliminary Report	8/15/75
Payment Errors Resulting from Use of Incorrect Title II Benefit Information	11/18/75
Ineligibility Study - Nonconversion Cases	10/21/75
Title II Deficiencies in the Supplemental Security Income Program	2/9/76
Optional State Supplement Study - Massachusetts	5/5/76
Optional State Supplement Study - Wisconsin	6/16/76
Optional State Supplement Study - Maine	6/18/76
Optional State Supplement Study - Washington	6/23/76
Optional State Supplement Study - California	7/6/76
Optional State Supplement Study - New Jersey	7/27/76
Savings Account Study Findings	7/15/76
Savings Account Study - Chicago Region	7/11/76
Savings Account Study - New York Region	7/16/76
Savings Account Study - Philadelphia Region	6/16/76
Savings Account Study - Boston Region	5/20/76
State Variation Study	8/16/76

LIST OF OQA STUDIES

<u>Title</u>	<u>Date</u>
Title II Study 1975 1976	2/9/76 in progress
Representative Payee Study	2/24/77
Initial Claims Study	3/4/77
Nonpayment Errors in San Francisco	3/1/77
Payment Adjustment Lag Study	in progress
Change of Address Study	in progress
Administrative Adjustment Study	in progress
New York Special Denial Study	in progress
Potential Eligibility Study	in progress
Wages Study	in progress
Other Income Study	in progress
VA Study	in progress
Nonreporting Study	in progress



PRINCIPAL HEW OFFICIALS  
RESPONSIBLE FOR ADMINISTERING  
ACTIVITIES DISCUSSED IN THIS REPORT

	<u>Tenure of Office</u>	
	<u>From</u>	<u>To</u>
SECRETARY OF HEW:		
Joseph A. Califano, Jr.	Jan. 1977	Present
David Mathews	Aug. 1975	Jan. 1977
COMMISSIONER OF SOCIAL SECURITY:		
Donald I. Wortman (acting)	Dec. 1977	Present
James B. Cardwell	Sept 1973	Dec. 1977